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C O N F I D E N T I A L SECTION 01 OF 08 NEW DELHI 002365

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IN, PK
SUBJECT: KASHMIRI SEPARATISTS LACK CLEAR AIM BUT TERRORISTS
STILL TARGET DEMOCRACY

REF: ISLAMABAD 5767

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Classified By: A/Political Counselor Atul Keshap, reason 1.4(b,d)

¶1. (C) SUMMARY: Meetings in Srinagar with Kashmiri separatists reveal a group that lacks consensus and is divided by a leadership squabble over how to respond to Prime Minister Singh's launch of a roundtable dialogue process. Most expect to boycott the PM's planned May roundtable in J&K and are afraid the PM's moves undercut them, while the Mirwaiz has announced the Hurriyat will host a rival roundtable composed of representatives from all five regions of J&K. Fear also stays the separatists' hands. Terrorists continue to kill mainstream Kashmiri politicians, threaten separatists, and stir up mayhem in an effort to undermine the Indian democratic process before Legislative Assembly by-elections April 24. Mainstream political coalitions are also shifting, with the National Conference increasingly comfortable with Congress rule and the PDP increasingly paranoid. The police, meanwhile, are gearing up for spring snow melt and consequent increased terrorist infiltration even as they prepare for the by-election, the PM's planned May roundtable, and an expected and impressive arrival of one million tourists and pilgrims this summer.

¶2. (C) Most Kashmiris recognize the harsh (for them) global reality following the President's March visit, and while they now largely renounce violence as a means to an end and seek normalcy and prosperity, they have not yet figured out what to do next. As dialogue with Pakistan and Track II efforts

continue, one separatist -- Sajjad Lone -- may covertly be fielding a candidate for a seat in the legislature. If he succeeds, at least one Hurriyat member will have dipped a toe into the waters of Indian democracy, and more may follow, vindicating India's long-term policy of giving all peaceful Kashmiris a real say in their affairs, albeit within the parameters of India's Constitution. Ultimately, the more real democracy the people of all five regions of Jammu and Kashmir enjoy, the more political space there will be for a soft landing, and the less space there will be for the terrorists. END SUMMARY.

LOOKING OUT FOR NUMBER ONE

13. (C) A/PolCouns' discussions in Srinagar April 3-5 revealed a moderate separatist faction divided by leadership competitions and unsure about responding to the Prime Minister's dialogue offer and planned May roundtable in Srinagar. Shabir Shah is fence-sitting not out of conviction but because he cannot bear to defer to Mirwaiz Omar Farooq, whom he views as a young upstart. Yasin Malik continues his effort to outflank the Mirwaiz by engaging in courageous and provocative diplomacy with extremist and terrorist groups across the border to urge them to support dialogue (Ref A). In his own way, this is Yasin's signal that he, too, does not accept the Mirwaiz as the group's spokesman and primus inter pares.

14. (C) The Mirwaiz, in turn, meets regularly with Musharraf and makes news-grabbing statements at conferences to maintain his current privileged position. His current proposal, outlined April 6 upon his return from Pakistan, is for the Hurriyat to host a rival roundtable discussion with

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representatives of all five region of J&K (Jammu, Kashmir, Ladakh, Gilgit, and Baltistan). Such an announcement, the Indian Express commented, was sure to "unsettle" the PM. Meanwhile, the Indian government further sowed dissension in the group by uplifting Sajjad Lone when it invited him to parley with the Prime Minister in Delhi. The net result is grumpiness and confusion even as India keeps ratcheting up the offers of dialogue. Shabir said consensus was impossible for now; the Jihad Council in Pakistan itself could not achieve consensus about dialogue with India, and Yasin and Mirwaiz remained at great odds with each other.

ISOLATE THE FENCE-SITTERS

15. (C) Bilal Lone was brutal in dismissing Yasin Malik's posturing against the Hurriyat, saying that Yasin should give up "a month of his Pakistani salary" to compensate the families of boys killed in Bilal's home area by the army, instead of urging the parents not to take Indian compensation and jobs (as the Hurriyat had encouraged them to do). As for Shabir, Bilal said his massive ego does not permit him to subordinate himself to the younger Mirwaiz. Bilal was especially dismissive of extremist separatist SAS Geelani, whose Hizb-ul-Mujahedin henchmen he is convinced murdered his father, Bilal said Geelani continues to act on instructions from across the border to sow dissension and fear, along with violence and murder. All of them, urged Bilal, should be isolated by the United States for failing to show the principled courage of the Mirwaiz Hurriyat.

BUT AVOID GETTING MURDERED

16. (C) Fears of sticking their necks out too far also haunt the separatists. Everyone we spoke to agreed the GOI security they all (including, amazingly, SAS Geelani, though not Malik) enjoy is a joke because even the police do not dare fire back when high-value VIP targets are attacked for fear of subsequent terrorist retribution; how else, they

asked, could J&K state government minister Lone get killed in his secure house without even one security man firing one shot? There had been 27 guarding him that morning, they emphasized. Moreover, in light of the Mirwaiz' and Bilal and Sajjad Lone's losses of immediate family members who went too far in exploring peace with India, everyone has learned the lesson: watch what you say and do or you might be sorry.

17. (C) Omar Abdullah said the Hurriyat was incapable of leadership because of fear. Bilal said extremists tell people the All Party Hurriyat Conference (APHC) are "agents of Satan" and urge crowds to chant, "To Hell with the dialogue process." Such efforts foster an atmosphere of intimidation in which the moderate Hurriyat thinks carefully before each and every public utterance and decision. Sajjad said Yasin Malik still flirts with the dark side and could "kill people even now" with a word to the right (or wrong?) people. Shabir said, "Fear resides in our heads." One separatist said he had just paid 30,000 Rupees (USD 750) after receiving a threatening demand for money. He said the money at least kept the threats at bay, but the fear limited the Hurriyat's freedom of expression. COMMENT: This fear of death may explain why the Mirwaiz Hurriyat never responded to the PM's plea for a detailed list of demands back in November

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2005, despite repeated entreaties to table demands as a basis for continued dialogue. Instead, the Mirwaiz went to Pakistan, where he issued statements that echoed Musharraf, infuriating the Delhi security Mandarins. END COMMENT.

CARNAGE FOCUSES ON DEMOCRACY

18. (C) A scan of the headlines reveals that terrorism continues unabated in Kashmir, and the target is clearly Indian democracy and the people who play within its rules. Over the course of three days this April, terrorists killed three politicians, including two municipal counselors and a political party leader. This is in addition to the continued almost-daily carnage of grenade blasts and shootings against police and army patrols, and marks a sinister turn in the violence. Even the traditional (male) dancers who entertain at political rallies are not immune; terrorists are killing them, too, for "collaboration." The targeting of politicians as the by-election looms indicates the threat the terrorists see if mainstream Indian democratic processes continue to take root in Kashmir. All of our contacts -- whether separatist, mainstream, journalists, or security forces -- agreed the participation rate in elections is bound to climb, a trend that the terrorists clearly want to reverse. A long-standing political section contact -- Communist MLA Yousef Tarigami -- lives in a virtual fortress these days because terrorists almost killed him when they killed J&K minister Lone, later killed Tarigami's nephew, and have left no doubt in their threats to him that they find his secularism abhorrent. The conventional wisdom now is that the terrorists had tried to kill Tarigami, not/not Lone. Mainstream leaders like Mehbooba Mufti and Omar Abdullah also receive "Z category" Indian security at all times despite their relative popularity.

AND A NEW INFILTRATION WORRY EMERGES

19. (C) The new "get tough" Inspector General of Police, Rajender Kumar, told us that the J&K police's usually excellent HUMINT had not detected some recent attacks in advance or traced the suspects through the usual channels. Kumar suspects that is because of an ingenious new terrorist tactic. The police and army have seen a surge in young men who appear at the LOC, turn in a rusty AK-47 or grenade, and insist they have surrendered. The army turns the returnees to the nearest local police station, which in turn essentially lets them go. Kumar said the system is idiotic because nobody releases these people into the custody of

their parents of into a "halfway house" until the Indians can be reasonably certain that they have sincerely had a change of heart.

¶10. (C) Given that the alternative to "surrender" is infiltration that the Indians often detect (viz. the large battle in Gurez last summer to kill over 200 as they came across), Kumar thinks this new strategy is brilliant. He is convinced a terrorist cannot get all the way to the LOC without Pakistani knowledge because he has a devil of a time exfiltrating his HUMINT sources from that side without attracting their forces' attention. As a result, he speculated, the "surrendered" returnees may have hit upon an ingenious way to walk into India and disappear, only to

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attack again later. Kumar is working to rectify procedures for such surrenders. Meanwhile, he worries about the April 24 election, the PM's planned May visit to J&K, the expected bumper crop of a million tourists and pilgrims this summer, and the on-going cat-and-mouse game between the police and the terrorists, especially after the snow melts.

¶11. (C) IGP Kumar's assessment seemingly contradicts Yasin Malik's claim to us April 7 upon his return from Islamabad that Pakistan's Military Intelligence has closed the terrorist launch camps "to all the groups" and has permitted "zero infiltration" since the beginning of March; Josy Joseph of the new Mumbai newspaper "Daily News & Analysis" on March 30 wrote that "Pakistan has cut funding to the United Jihad Council and guides have been told not to assist infiltrations," which Malik also told us. However, it is altogether possible that "surrender infiltration" has not been tabulated by Indian security agencies as traditional infiltration, and thus has escaped official reporting.

"INDIANS PLAYING GAMES"

¶12. (C) As bad as the violence remains, Bilal also was dismissive of the Indian dialogue process, saying it is a sham composed of "paid agents" who attended the February session in Delhi. Also, by convoking J&K state residents and categorizing them as Paharis, Gujjars, Ladhakis, Hindus, etc, the GOI was practicing classic "divide and rule" strategy, he muttered. Bilal also complained that National Security Advisor Narayanan, whom he painted as the Svengali who orchestrates Delhi policy, was very dismissive of the Hurriyat and needed to "stop talking shit about us." Narayanan, Shabir concurred, lacked imagination and did not take the Kashmiris' aspirations seriously. Bilal said the Kashmiris should at least talk to Chief Minister Ghulam Nabi Azad, who has a direct political line to Sonia Gandhi, instead of a "cop" like Narayanan.

¶13. (C) Omar Abdullah balanced these views by saying the Hurriyat is incapable of dialogue due to its lack of a political base, its lack of experts who can delve into details, and its lack of a knowledge base. Omar said the PM had told him personally how disappointed he had been that the Hurriyat had never responded to his request for a list of demands.

¶14. (C) Regarding the PM's roundtable process, Yasin Malik complained to us that the GOI publicly engaging such a large group of Kashmir stake-holders undercut the authority of the Hurriyat and other separatist leaders like himself. Diluting their status in the eyes of the rest of the separatist community, particularly the jihadist terrorist groups, would result in compromising his ability to "deliver" the jihadis to the table, or even to engage with them, if he is viewed by them as irrelevant, Malik continued. "There should be more behind-the-scenes work, not media events like in February and coming next month in Srinagar," he added.

¶15. (C) GOI J&K expert NN Vohra affirmed that the separatists

have yet to reach any consensus among themselves of what they want -- autonomy, self-governance, "azadi" (freedom) -- let alone what those terms mean, Vohra continued. When asked if the Hurriyat separatists could be mainstreamed, he emphasized

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that "especially the ones under 40 see themselves as future ministers or Chief Ministers, are well-educated, and even if you disagree with what they say they are well-spoken and could easily enter politics." First, however, pressure from Islamabad and the terrorist groups themselves must be lifted or nullified before the moderates could safely contest a vote.

ONE RAY OF SUNSHINE

¶16. (C) Sajjad Lone, upbeat following his attendance of the Pugwash conference in Islamabad, was the only positive separatist voice we encountered. He said Musharraf is saying amazingly bold things lately, and the Pakistani mainstream was abandoning long-cherished sacred cows in the hope of finding a solution. Lots of good momentum was building, he felt, and Pakistan was taking big risks; it was neat to see National Conference leader Omar Abdullah treated "like a film star" instead of an Indian sellout. Sajjad thought the Hizb-ul-Mujahedin might just endorse dialogue with India, but the LeT/Hafez Saeed/foreign contingent of terrorists would never do so. Sajjad said he had told all he met in Pakistan that Kashmiris did not want to see even one more drop of blood spilled for the cause. Sajjad was also pumped about his meeting with the Prime Minister, explaining that the PM sincerely wants only the best for Pakistan and stiffens visibly when anyone berates Musharraf or Pakistan. Sajjad also opined that now that the PM has expanded the dialogue to include Kashmiri mainstream political parties, the APHC will eventually be obliged to contest the 2008 state elections in order to keep their influence. If not, "the process will leave individuals behind." Sajjad also predicted 2008 turnout would be higher than in 2002, already a marked improvement over the election before.

AND EVEN THE VIOLENT ONES ARE MULLING DIALOGUE

¶17. (C) Malik -- who told us he met again with Hizb-ul-Mujahedin commander Salahuddin (Ref A) and with Lashkar-e-Tayyiba supremo Hafez Saeed during his recent one-month sojourn in Pakistan -- said that although he continued to preach in favor of "the microphone over the gun," "the (terrorist) groups will need the green light from Pakistan before they agree to anything like a cease-fire, which would be the first step to integrating them into the peace process. He suggested that "your people should lean on Musharraf" to clear the way for such a gesture; it would also require some ground work to move attitudes before Islamabad could politically sell a cease-fire, Malik concluded.

BUT THERE COULD BE A CATCH

¶18. (C) Sajjad's confidence may stem from the attention he has received from the PM and Musharraf, but PDP leader Mehbooba Mufti had a darker explanation. Mehbooba complained that the Congress-led government in J&K had reverted to its customary bad old ways in the build-up to the April 24 by-elections. The Intelligence Bureau, she alleged, had given Sajjad a crore of Rupees (10 million Rupees equal to USD 250,000) to support an independent candidate secretly affiliated with him who Qas going to run in one of the constituencies. If so, Sajjad's happiness may stem in part

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from tapping into new streams of Indian money.

¶19. (C) Mehbooba, whose PDP party increasingly finds itself isolated as Congress and the National Conference look to each other to forge a coalition in 2008, is feeling isolated and vulnerable. She said the central government is terrifying people in PDP areas, acting more arrogantly than usual, and seeking to intimidate PDP supporters from voting on April 24.

She said arrests in PDP areas were also up. Most importantly, Mehbooba felt that the GOI was going to use money to defeat PDP candidates and hand Congress and National Conference victories in the by-election. If so, she said, the GOI would have depleted the "bank account of goodwill" that her father, former Chief Minister Mufti Mohamed Sayeed, built up during his three year term of office.

¶20. (C) Mehbooba has a right to feel jilted. Her ostensible Congress coalition partner is openly courting the National Conference and she feels trapped. When we dined with Omar and Farooq Abdullah of National Conference, they seemed as content as could be, lending credence to reports of a budding Congress/NC alliance. Omar's NC has also decided not to contest the election that Chief Minister Ghulam Nabi Azad will seek in Doda, a decision "Greater Kashmir" newspaper termed akin to giving the Chief Minister a "cakewalk." We checked with Tarigami, however, who said he had seen no evidence of the activities Mehbooba reported. Moreover, Tarigami and others told us PDP had royally screwed up its candidates list by giving detested PDP Deputy Chief Minister Mustafa Beig's nephew the party ticket in the seat vacated by Minister Lone's murder instead of giving it to Lone's son. Also, importantly, Azad made a clear statement on April 6 condemning any effort to interfere in the democratic process and threatened severe penalties to any state actor found to have subverted the process. NOTE: We will urge the Indians to avoid recidivism of any kind in this most crucial of areas, and will ask to view the April 24 polls to show our interest in clean elections. END NOTE.

SHOW ME THE MONEY

¶21. (C) A recurring theme throughout all of our interactions with Kashmiris is how Indian and Pakistani money has made all Kashmiri political actors dependent on handouts. Omar and Farooq Abdullah, descendants of the Shaykh who first figured out Delhi's money game, live in fabulous houses in Srinagar and Delhi, wear matching Panerai watches, serve Blue Label to the guests, and travel all over the world first class courtesy of the Indian government. Mirwaiz is alleged to have real estate in Dubai courtesy of Pakistan. The state administration gets rivers of money for development but the streets in J&K are appalling, even by Indian standards. Army officers, we have heard, allegedly bribe their superiors for postings to J&K to get their hands on the logistics contacts and "hearts and minds" money. Sajjad lamented that the conflict remained lucrative to many, and he is right. CPI(M) legislator Tarigami also told us too many people have a stake in the conflict's perpetuation. Praveen Swami, reporting in "Frontline" revealed that a terrorist killed March 10 had 43 receipts for 18,000 Rupees (USD 450) each in "donations."

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Fifteen more had paid 48,000 Rupees (USD 1100) apiece. The money associated with the conflict clearly remains a collective disincentive to its resolution and should not be underestimated as a factor in decision-making across the board; according to Malik, "Kashmiri politics is no longer about ideology, it's all a money game."

INDO-PAK CONSIDERATIONS

¶22. (C) Nobody we spoke to bothered to mention autonomy or troop withdrawal, leading us to conclude the rhetoric among

the separatists regarding those demands is largely for public consumption because their realization is so remote. Certainly the latter remains a total non-starter for the Indians. What sparks the imagination more seems to be the ideas developed at Track II events such as Pugwash. Separatists and mainstream politicians like the regional approach to J&K problems, especially if it includes Baltistan, Gilgit, and Muzaffarabad/Sialkot. Sajjad said he hoped Kashmiri pessimism would not bury Pakistani and Indian optimism, and Shabir and Omar said the Pakistan-based separatists also needed to be wrapped into the dialogue process.

23, (C) Omar Abdullah said Musharraf was under pressure to show something soon, and if by December 2006, he predicted, the Indians did not give him anything to show for his risky gambits, Nawaz and Benazir would ratchet up the Kashmir-related election rhetoric to such an extent that he would have to return to the old anti-India formulas, and an opportunity would be lost. Kashmiris are very aware of the revolutionary changes in attitudes in Pakistan, and wary of the PM's dialogue offer. We have counseled them to remain engaged in dialogue because we keep hearing -- even from Kashmiris -- that the PM is totally sincere, no matter what the IB or other security agencies in Delhi may conspire to achieve.

24. (C) GOI Interlocutor on J&K NN Vohra allowed that Pakistan President Musharraf faces "many domestic compulsions" and that Musharraf would have great difficulty maneuvering "the Kashmir issue" within his domestic constituents, notably the Pakistan Army. This is why, he continued, the GOI has held back from trying politically to "wound" Musharraf over the past two years; instead, Delhi knows it must work with Musharraf or risk Indo-Pak rapprochement irrevocably losing ground. Vohra said that, from his conversations with Kashmiris, he has learned that "They are fed up with a generation of violence, even the Kashmiri Muslims." He pointed to two things he said he learned Kashmiris wanted while he observed the PM's February 25 roundtable on J&K: there is no support for further splitting Kashmir (especially not along communal lines), and all groups attending sought an end to violence.

COMMENT: IT ALL BOILS DOWN TO MORE AND BETTER DEMOCRACY

25. (C) Kashmir remains as muddled as ever. The separatists do not see a clear way forward, the mainstream power structure is in flux, and terrorism continues to blight the land. The GOI continues to make soothing dialogue noises even as it remains firm in its long-held positions. Mehbooba

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is right that her father's "Healing Touch" policy and greater respect for the ballot did much since 2002 to make Kashmir escape the upheavals of the past; the million tourists who plan to visit this summer are evidence of that, but the relative normalcy of Kashmiri politics is another. While 45 percent voted state-wide in 2002, the GOI must work hard to keep the April 24 by-elections clean if it wants to sustain that participation or even make it grow in 2008. Yet, it is encouraging that at least one Hurriyat separatist -- Sajjad Lone -- may be covertly fielding a candidate in the April by-election.

26. (C) After so many decades of mistrusting Kashmiris and denying them their democratic rights, Delhi remains on the right track in making sure Kashmiris express their wishes at the ballot, notwithstanding terrorists' violent intimidation. We will work to view the April 24 polls in person so we can show Kashmiris and the Indian government how important continued exercises of real democracy are to defusing tension in Kashmir and giving the Kashmiri people a say in their governance. We will also continue to encourage the moderate separatists to talk to the Prime Minister. The more dialogue

there is, the more room for both sides to maneuver, and with that room may come more willingness to compromise on difficult issues. In that sense, democracy for the people of all five regions on both sides of Jammu and Kashmir state is vital, no matter how badly terrorists seek to destroy it.
END COMMENT.

¶27. (U) Visit New Delhi's Classified Website:
<http://www.state.sgov.gov/p/sa/newdelhi/>
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